

Stocks, Crypto, Art Oh My! Managing Non-Liquid Assets In Your CRM

EBCFO

June 24, 2021



Housekeeping

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This is being recorded. Our webinars are all recorded for future reference and placed into our Resources section of the Neon One website.

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We will be taking questions. We want this to be an actionable resource for your organization, so please use the Q&A!

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This might get nerdy. The reality is that there are some pretty complicated laws around these types of assets. We may need to get “into the weeds” a bit.

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This is also very practical advice. Neon One partnered with EBCFO for a reason - they are experts when it comes to managing the crossover between finance and fundraising.

Dan Schmidt

EBCFO

- 20 years in the accounting industry across public and private practice
- Trained and certified in multiple cloud accounting, CRM, and workflow management tools
- Member of The Accounting Salon, an industry think tank
- Starting the restoration of a 1937 Plymouth sedan that was purchased new by his great-grandfather (and has the original Bill of Sale)



Overview

Target Audience: Nonprofit professionals looking to understand the more complicated assets your donors may want to give you.

What You Will Learn:

- A straightforward definition of non-liquid assets
- Why certain donors will only give these types of gifts
- Governance and management issues that your organization needs to address
- A high level review of how these assets are best managed in your Neon CRM

What You Won't Learn:

- Specific legal advice - we're giving a high level introduction to these types of assets but it is important for your organization to learn and articulate your own approach to these in consultation with an expert
- A comprehensive list of every single asset. We're going to concentrate on the most common assets, but there are dozens of these types of assets that the IRS touches on in the tax code

Glinda the Good Witch (The Wizard of Oz)

You've always had the power my dear, you just had to learn it for yourself.

What are “non-liquid” assets?

Non-Liquid Assets

The long and short is that these are contributions that cannot go immediately into your bank account.

Basically, if it is weird then we need to have a conversation about it.

This is stock, real estate, cryptocurrency, art, cars, and other similar “stuff” that isn’t cash or checks. And the IRS cares.



Why donors do this

This sounds like a pain in the ass, right?

The reality is that many “major” donors (people who want to give you more \$1000 or more) will want to provide you with assets like these.

Should you offer them the option or isn't that more annoying to just not bother?



Why donors do this

Let's really deep dive into this.

Major donors REALLY care about stock, art, crypto, and more.



Governance Questions

Policies and Procedures

There should be a board policy for gift acceptance in place to provide guidance on the handling of these types of donations (or whether an organization will even take them)



Should you accept these gifts?

Should you accept these types of donations if they come with donor-imposed restrictions?

There can be significant costs associated with liquidating these assets, both hard and soft costs. You don't want to pay these costs out of unrestricted or general operating funds

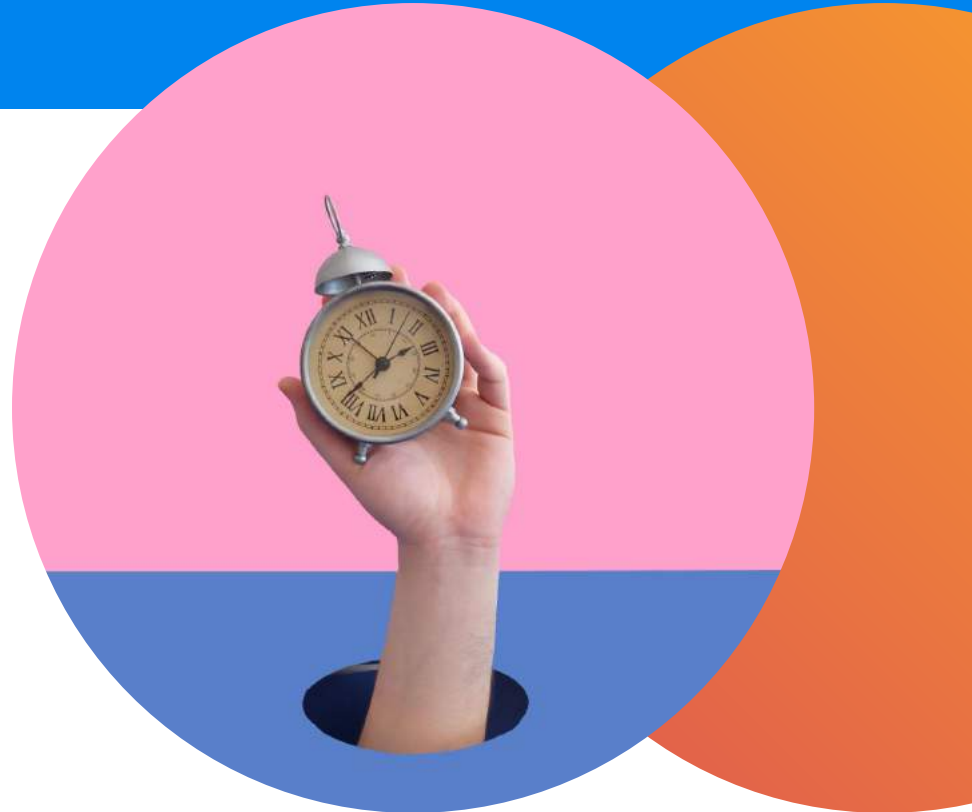


Challenges

Valuation

Both the donor and the organization should value independently

Custody/transfer of ownership - often requires specialized software, accounts, title work, etc. Sometimes necessitates involving legal counsel



Let's talk volatility

Sorry, isn't there a dog based coin? Why give a hoot?



Best Practices

Payment Types

Let's focus on the few non-liquid items that you should **ACTUALLY** track in your CRM.

Yes, we have real suggestions for you.



In action with Neon CRM

Neon One Resources

Non-Liquid Assets

A collection of resources that will help your organization with managing non-liquid assets.



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Accepting Bitcoin

EBCFO identified this resource as a great example of how to managing cryptocurrency fundraising. [Head over to AICPA](#) for sample language on managing this asset.



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EBCFO

Neon One curates amazing partners like [EBCFO](#) to bring you insights and education. Support their work by checking out their website and signing up for their newsletter.



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IRS Schedule M

Want to know what the IRS considers non-cash? Then head on over to [Schedule M](#), the form that you need to fill out when receiving these gifts.

Built for Good.